

ISHAM, LINCOLN - BEALE

TABLE 2

LINCOLN CHILDREN - ROBERT

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# The Lincoln Children

## Robert Todd Lincoln

Isham, Lincoln, & Beale

Excerpts from newspapers and other sources

From the files of the  
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tinues, with Norman Williams, under the firm name of Williams & Thompson. General Thompson traveled over the Rocky Mountains and on the Pacific Coast for his health in 1882, and was materially benefited by the trip. He was alderman of the city from 1876 to 1878. In 1879, he was the Republican candidate for the State Constitutional Convention, and is now prominently connected with the work of the Citizens' Association of Chicago. He was married, in 1866, to Miss Laura Chandler, daughter of Samuel C. Chandler, of Peacham, Vt. They have two children, Everett and Susan, both of whom are now being educated in this city.

HENRY S. MONROE, a practicing lawyer of long and high standing in Chicago, was born in Baltimore, Md., February 9, 1829, the son of Dr. Henry and Sylvia (Thomas) Monroe. He passed his early boyhood in Broome County, and prepared for college at Oxford, N. Y. At the end of three years he entered the junior class of Geneva College, N. Y., graduating, in 1850, as valedictorian of his class. He studied law in the office Henry R. Mygatt, of Oxford, for a time, and, after teaching school for a few terms, was admitted to the Bar in 1853. Mr. Monroe purchased a few books, and at once came to Chicago, where he was acquainted with Stephen A. Douglas. Encouraged by him, he opened an office early in 1854, his first case being entitled Martin O. Walker vs. John Frick, his client being successful. Of late, Mr. Monroe has been largely interested in real-estate litigation. He formed a partnership with William J. Tewkesbury in October, 1852. Mr. Monroe has been quite unfortunate in the matter of loss by fire. In 1871, he possessed one of the largest law libraries in the Northwest, which was destroyed in the great fire. He was also a sufferer by the Grannis Block fire in 1885. Mr. Monroe was married in 1856, to Miss Mattie Mitchell, daughter of William B. Mitchell, of Alton, Ohio.

EDWARD S. ISHAM, of the prominent firm of Isham & Lincoln, was born in Bennington, Vt., January 12, 1836, the son of Pierpont and Samantha (Swift) Isham. On account of ill health, he spent several years prior to 1852 in South Carolina. During that year, he went to Groton, Mass., where he prepared for college at Lawrence Academy. While attending Williams College he commenced to read law, and after his graduation, in 1857, he continued his studies in his father's office. He next took a course in the law school at Cambridge, Mass., and was admitted to the Bar at Rutland, Vt., in 1858. In October of that year, he came to Chicago, and commenced practice, forming a partnership with James L. Stark, a Vermont acquaintance. The firm of Stark & Isham was dissolved in 1863, and Mr. Isham was elected to the Legislature the next year. While thus serving, he was a member of the judiciary committee. Soon afterward he went to Europe, remaining abroad about two years. Upon his return he practiced alone until 1872, when, with Robert T. Lincoln, the present firm of Isham & Lincoln was formed. Mr. Isham's practice has always been of a high grade, being mostly confined to the chancery and Federal courts, and he has established a reputation as one of the safest counselors and ablest lawyers at the Bar. He was married, in 1862, to Miss Fannie Burch, of Little Falls, Herkimer Co., N. Y., and has four children, two sons and two daughters.

ROBERT T. LINCOLN, the only surviving son of Abraham Lincoln and Mary (Todd) Lincoln, was born at Springfield, Ill., on August 1, 1843. From early childhood his parents gave him a thorough education. When seven years of age he was sent to the academy of Mr. Esabrook, in Springfield, and after remaining there three years, entered the Illinois State University, at Springfield. He also attended Phillips' Academy, Exeter, N. H., and Harvard College, graduating from the latter institution in 1864. Entering the Harvard Law School, he left in February, 1865, to accept a commission in the United States army, as captain and assistant adjutant-general on General Grant's staff. Shortly after the surrender of General Lee, he resigned, and commenced the study of law in Chicago, being admitted to the Bar in 1867. As the junior member of the firm of Scammon & Lincoln, he at once commenced the practice of his profession, but the partnership being soon dissolved, he continued in practice alone until 1872, when he went to Europe for six months. Upon his return he formed the partnership with Edward S. Isham, which has continued ever since. In 1876, Mr. Lincoln was appointed supervisor of South Chicago, and in 1880, represented Cook County in the Illinois State Convention at Springfield, which nominated delegates to the Chicago National Convention. He was chosen one of the electors on the Republican ticket for the State. Early in the year, he was appointed by the governor one of the trustees of the Illinois Central Railroad. His greatest honor, however, came to him upon the accession of James A. Garfield to the presidency, when, as a tribute to his ability and sterling qualities, and as a graceful acknowledgment that his father's memory was still green in the hearts of the people, he was appointed Secretary of War. His administration of the affairs of the department was marked by decision and breadth of view. During the choice of President Arthur's successor his name was

repeatedly mentioned for second place upon the National ticket. Not alone for the sake of his beloved father, but for his own worth, is Mr. Lincoln esteemed and honored by his associates, his clients and his friends.

OLIVER HARVEY HORTON is senior member of the firm of Horton, Hoyne & Saunders. He removed to Chicago from New York, in May, 1855, when nineteen years of age, and, after engaging in various commercial pursuits for the succeeding five years, commenced the study of law with Hoyne, Miller & Lewis, in June, 1860. From that time until the present, as law student and partner, he has been connected with Thomas Hoyne and Thomas M. Hoyne, in the same office in which he is now located. It is doubtful whether as much can be said of any other lawyer in the city of Chicago. Mr. Horton was born in Cattaraugus County, New York, October 20, 1835, his father, Harvey W. Horton, being a Baptist clergyman and a native of Vermont. He received his education at home and in the academy at Kingsville, Ohio, soon after which he came to Chicago. He was admitted to the Bar in 1862, and, in 1863, having taken a partial course in the University of Chicago, he graduated from that institution with honor. Mr. Horton was associated with Thomas Hoyne and Benjamin F. Ayer from January, 1864, until 1865, the firm name being Hoyne, Ayer & Horton. During the latter year, Mr. Ayer withdrew and the partnership of Hoyne & Horton was formed, which continued until January 1, 1867, when Thomas M. Hoyne became the third member of the firm. For twelve years, Burrows M. Saunders has been connected with the firm, and in 1881 became a member of it. Since the death of Thomas Hoyne, in July, 1883, the firm has consisted of O. H. Horton, Thomas M. Hoyne and Mr. Saunders. Mr. Horton has for many years been acknowledged to be among the leading members of his profession, and has been honored with important positions. He was for many years, and still is, an active trustee of the Northwestern University and president of the joint board of management of the Law School; also a prominent member of the Bar Association and Law Institute, having been president of the latter, treasurer during the trying period of the fire, and for many years a member of the executive committee. Mr. Horton has been actively and prominently identified with the Young Men's Christian Association, of which he has been vice-president, a member of the board of management, and chairman of the lecture committee. For fifteen years he was a trustee of the Grace Methodist Episcopal Church, and is now an officer of the Trinity Methodist Episcopal Church. In 1840, he was sent as a lay delegate to the General Conference at Cincinnati, and, in 1881, to the General Conference held in London, Mr. Horton being one of the twenty laymen who represented this country in that grand body.

THOMAS MACLAY HOYNE, the second son of Thomas and Leonard (Temple) Hoyne, was born at Galena, Ill., July 17, 1843. During the next year, his parents returned to Chicago. He graduated from the high school, and, in 1866, from the law department of the Northwestern University. Mr. Hoyne at once commenced practice, and, in 1867, became a member of the firm of Hoyne, Horton & Hoyne. He is still connected with Mr. Horton, the firm being Horton, Hoyne & Saunders. Mr. Hoyne was the first president of the Chicago Democratic Club, which subsequently was transformed into the Iroquois. He has never been an active politician, the only position to which he has ever been nominated (and that was an unwelcome surprise to him) being the supervisorship of the South Town, which office had formerly been held by Robert T. Lincoln. Mr. Hoyne married Miss Jeannette T. MacLay, daughter of Moses B. MacLay, a prominent lawyer of New York. The family was originally one of the most substantial in Scotland, and among its representatives in New York City was William B. MacLay, an uncle of Mrs. Hoyne and a member of Congress, who greatly assisted Thomas Hoyne as a struggling youth. In the family of Rev. Archibald MacLay, one of the most brilliant Baptist divines who ever preached in America, Thomas Hoyne resided for a time. It was in grateful remembrance of this early friendship that Mr. Hoyne received from his father the name MacLay. While Mr. Hoyne has not confined his practice to any special branch of the law, he has, perhaps, been better known in real estate law and chancery practice.

HON. FRANCIS A. HOFFMAN was born in Herford, Westphalia, Prussia, in 1822. He received a classical education and training at the Royal Frederick William Gymnasium. Emigrating from Prussia he arrived in New York in September, 1850. He shortly afterward came to Chicago, and found employment as a teacher of a German school, at Downer's Grove. While thus engaged, he studied theology under the auspices of the German Lutheran Synod of Michigan, and was subsequently ordained and placed over the congregation at Duckly's Grove. While pastor, he was also for a time editor of the Illinois Staats Zeitung, then a weekly paper. Mr. Hoffman also edited a missionary monthly, published at Ann Arbor, Mich., and frequently wrote for the Chicago Democrat.

History of Chicago  
1885



# Merger Takes Chicago Firm Under

By WILLIAM E. SCHMIDT

Special to The New York Times

CHICAGO, April 14 — Since its beginnings here in 1872, the law firm of Isham, Lincoln & Beale has been one of Chicago's most venerated; the Lincoln in the name comes from one of the firm's founders, Robert Todd Lincoln, son of Abraham Lincoln.

Last week, however, partners at Isham voted to close the firm at the end of April. They said the decision came after internal strife that grew from the ill-starred merger two years ago between Isham and Reuben & Proctor, a much younger Chicago firm that had built a reputation as an aggressive litigator.

Like the recent collapse of New York's Finley, Kumble, Wagner, Heine, Underberg, Manley, Myerson & Casey, which dissolved in a spectacular bankruptcy, the Isham disso-

lution underscores how volatile times have become in the legal business.

When they merged, the two Chicago firms retained the Isham name and created a firm of 225 lawyers with such blue-chip clients as the McDonald's Corporation, the Tribune Company and Commonwealth Edison. Donald Reuben, who founded Reuben, described the merger then as a bold professional strategy for the 21st century.

## Top Lawyers Left Firm

But some of the firm's top clients and best lawyers began to desert Isham, amid reports of bitter personal strife among the new partners. The battles reportedly ranged from a fight over the site of the new office to allocating profit shares. By the end, only 80 lawyers remained.

Some newspaper accounts here

4/15/88  
tied the problems to a clash of legal cultures, a collision between the staid button-down traditionalists at Isham and the brash Reuben litigators.

But Richard Marcus, an attorney with Reuben now serving as Isham's spokesman, said the merger was doomed from the start, since key Isham partners never intended to stay with the new firm.

As law firms have grown larger, and often more impersonal, lawyers, too, have become more restless, looking to strike out on their own for a larger share of the fee. As a result, there is sharper competition among law firms as they struggle not only to hold on to their own top legal talent, but to lure lawyers from other firms.

"The difference is, lawyers used to have a loyalty to a firm," said Mr. Marcus. "Now there is all this scraping and clawing."

## **Law firm founded by Lincoln's son dissolves**

CHICAGO (AP) — Isham, Lincoln & Beale, a law firm co-founded by Abraham Lincoln's son, is succumbing to internal strife and closing its doors after 116 years.

"This has been a trying experience and one of the most regrettable results I've seen in my life," said Richard Marcus, a well-known labor attorney and partner in the firm.

He said Friday that partners voted to dissolve their practice two years after a merger with a younger firm that proved "a dismal failure."

The Isham-Lincoln partnership was founded in 1872 by Edward Isham, son of a Vermont Supreme Court justice, and Robert Todd Lincoln, a Harvard-educated lawyer who later became U.S. war secretary and U.S. minister to Great Britain.

But its financial difficulties became public in 1986, when the conservative firm merged with the younger and more aggressive Reuben & Proctor in what was the largest law firm merger in Chicago history.

The amalgam, which retained the Isham name, initially had 225 attorneys. But by Friday, only 80 were left.

"There was an inescapable feeling that there was no longer any sense of cohesiveness, which is absolutely essential for a firm to stay together, grow and attract new clients," said Marcus, who will lead a small group of attorneys in joining the firm of Sonnenschein Carlin Nath & Rosenthal.

4-10-88 RACINE JOURNAL-TIMES



# Chicago Law: Shotgun marriage, fatal divorce

By James Warren

It was a wedding revealed on a Friday the 13th. That now seems terribly fitting.

On April 30, the marriage of Isham Lincoln & Beale and Reuben & Proctor will dissolve amid rancor, recriminations and remorse less than two years after the biggest law firm merger in Chicago history was disclosed on June 13, 1986.

On that date, lawyers learned that the 120-member Isham Lincoln & Beale, a firm founded in 1872 and one of the city's most genteel, would join forces with the younger and far more brash 80-lawyer firm of Reuben & Proctor.

"They tried to merge a street gang with a bridge club," said a former Reuben & Proctor partner with minimal respect for the old Isham Lincoln & Beale.

"It was a shotgun wedding of first-rate introverts with second-rate extroverts," said an Isham Lincoln & Beale partner with no esteem for Reuben & Proctor.

Still, some believed at the time that the merger had the potential of a powerhouse. It brought together two of Chicago's best-known and most influential attorneys—Don Reuben and former Gov. Richard Ogilvie—and \$36 million in combined annual billings. Clients included Commonwealth Edison; Tribune Co.; Hyatt Corp.; Fireman's Fund Companies; McDonald's Corp.; National Broadcasting Co. Inc.; CNA Insurance; the Illinois Housing Development Authority; and the Regional Transportation Authority.

But the marriage failed, despite the prestige, the power, the money and the corporate clout.

Some observers place blame in part on poor homework in crafting the merger by lawyers who charge clients \$200 an hour for the same kind of homework.

The two firms then fell prey to a clash of corporate cultures, poor management, feuding over money among high-income people, jittery clients who pulled business, nervous attorneys who fled the merged firm and the illness at a sensitive moment of the person who was the merger's catalyst and potential savior.

The divorce at the end of this month will be more than a parting of the ways; it will be fatal to both parties. It will kill one of the most historic and prestigious names in Chicago legal circles.

Several hundred lawyers, secretaries and clerical workers have scattered to or are trying to find work at a variety of other firms and enterprises, many undergoing substantial stress as they strive to prove themselves anew.

They will leave behind some hefty unpaid bills and memories of two firms that provided professional training, camaraderie and an avenue for lifestyles based on big incomes.

"It's criminal what happened," said a bitter Richard Marcus, a prominent labor attorney who came into the merger from the Reuben & Proctor side.

Along with Ogilvie and trial lawyer James Klenk, Marcus is serving in an undertaker's role as one of three partners on the "wind-down committee" that is overseeing the details of a dissolution that takes effect exactly two years after the idea was floated.

On April 30, 1986, Richard Ferguson and Bert Early, who had been at the refined University Club and broached a subject born of dramatic change in the legal profession—merger.

Law-firm America, just like corporate America, was in flux, and the conventional wisdom was that bigger was better. The more services one provided, the better the odds were of attracting new business, be it corporations looking for ongoing help or companies involved in the booming field of takeovers and acquisitions where a law firm could charge millions of dollars in fees for a few weeks, days, even hours of work.

Ferguson was the leading partner at Isham Lincoln & Beale, a firm founded in 1872 by Robert Todd Lincoln, son of Abraham Lincoln. Early, a former executive director of the American Bar Association, was a legal consultant—and at this meeting a pinstriped matchmaker representing the law firm of Reuben & Proctor. That firm had been founded in 1978 by Don Reuben. A top partner at the giant Kirkland & Ellis firm, he had been fired in a palace coup hatched while he was on vacation. He had been too high-profile and too much the renegade for many of his corporate partners.

Reuben was arguably Chicago's most powerful lawyer and one of its most enigmatic. A superior legal strategist willing to take big risks, he represented some of the bastions of the Chicago establishment, notably the Roman Catholic Archdiocese, Tribune Co. and the Chicago Bears. He ably helped these clients, and he used their allegiance as tools to attract new business, to frighten opponents and to gain an image as a "clout lawyer" in Chicago courts.

He was and remains a mix of the profane and the utterly charming, at once a gutter fighter and a respectful adviser to conservative corporate officials. He can terrorize colleagues with public castigations for alleged incompetence, but he also instills immense loyalty as he passes along wisdom, opportunities, favors and authority.

Despite his renown and his wealth, Reuben had been deeply hurt by his dismissal at Kirkland & Ellis, a firm that has come to epitomize the full-service trend with its 300 Chicago lawyers, its \$100 million in annual billings and its stunning average net profits of \$500,000 a year for equity partners. Large firms have equity partners, non-equity partners and associates. Isham average net profits per equity partner were just over \$200,000 a year.

Reuben's goal was to create a formidable "player" on the legal scene, and he did just that in 1978 by forming Reuben & Proctor. But even as the firm grew and gained a reputation as a skilled problem-solver, it had ills, not the least of

which were Reuben's role as the dominant business-getting force and his firm's reliance on one-shot litigation matters.

Reuben made moves to expand his corporate and tax departments, both to service clients like Tribune Co., which was venturing well beyond its traditional base in newspapers, and to lure new ones. But he still came up shy in expanding the firm and felt a merger necessary. By 1986, Reuben, then 57, also wanted to prepare his "baby" for his inevitable departure.

In contrast, Isham's Ferguson long had been wary of expansionism. He was cautious in com-

parison to Reuben's swagger; he was highly skilled but low-keyed; he was a patient and methodical utilities specialist, not a brassy trial attorney. He successfully had aided Commonwealth Edison in the maniacally dry complexities of rate hearings and in overseeing construction of six nuclear power plants throughout Illinois.

But the Isham firm had stopped growing and was not attracting top young talent. It had a reputation as a somewhat languorous environment, a fact recalled by Michael Kahn, a much-sought 1979 graduate of Harvard Law School.

Kahn, chose Reuben & Proctor because "it was a small, aggressive band of pirates with big clients and media work. It seemed exciting and an alternative to the real big firms." By contrast, "Isham Lincoln & Beale was typically mentioned as a big firm in trouble, a sleepy firm that emphasized utility rate hearings," said Kahn, a rising star before returning to his native St. Louis in 1985 for personal reasons.

In the weeks that followed that April 30, 1986, lunch, Early, Reuben and Reuben's partner Al Spada convinced Ferguson that the Reuben firm's strength—its energy and litigation image—would fill a vacuum at Isham, while Isham's corporate and tax breadth and its Main Line aura would aid Reuben.

And so a deal was struck and the firms would merge, although the name would remain Isham Lincoln & Beale.

But disparities in the firms' operations were evident even in the pre-merger process. Reuben, for example, solicited opinions from many colleagues in weighing the merger; Ferguson told only Ogilvie and a few others.

That helps explain the anger felt by many original Isham lawyers when the agreement was announced on June 13 as a *fait accompli*.

"My first reaction was shock that a few people would undertake a transaction of this magnitude without consulting their partners," said Ronald Jacks, a key Isham Lincoln & Beale partner who was left out of the merger talks.

Meanwhile, younger Reuben attorneys were aghast at having to join precisely the sort of firm they disdained, and they raised tough, even belittling questions.

Those questions were turned aside by Spada, a tax wizard and their managing partner. "Welcome to the real world," said Spada.

That real world meant that some Reuben attorneys would leave their 19 S. LaSalle St. offices to join Isham's offices at Three First National Plaza, and vice versa. The view from Isham's high-rise perch was superior; filing space was not. There were other widespread differences—cultural, practical and imagined.

They included the purely administrative, like mail delivery (every hour at one firm, daily at the other) and billing clients (monthly versus quarterly), but also matters of style and philosophy that could surface in odd ways and create friction. For example:



In 1972, when former Gov. Richard Ogilvie joined Isham Lincoln & Beale, the firm's offices were the very picture of calm.

● Just before the merger took effect, the Reuben firm had a golf outing at the Marriott Lincolnshire and invited some Isham attorneys for post-golf cocktails. The Reuben clan came in sports clothes, their Isham counterparts in suits. Granted, it was a Friday and they'd probably come from the office, but their appearance fed the Reuben's firm's collective preconception of Isham stodginess.

● Styles were out of sync. Reuben lawyers tended to see Isham counterparts as sheep. Isham lawyers tended to view Reuben lawyers as unjustifiably cocky self-promoters, and they believed Reuben was countenancing legal maneuvers they found unpalatable.

● Philosophies diverged on criteria for compensation, especially for younger lawyers. The Reuben firm was more tied to the work ethic—how many hours were put in and how much new business was lured. The Isham firm used a "more laid-back approach," one that did not necessarily penalize a lawyer if he wasn't a "real performer," as one original Isham partner put it.

● Female associates from the Reuben firm, who did not tend to be wallflowers or prudish, passed along tales of alleged sexism among a few Isham partners.

● An original Reuben partner informed an Isham associate partner that a proposed letter she had drafted to a client had been done poorly. He crumpled the letter and dropped it in a nearby wastebasket. He thought it was a benign act, but she was furious at what she deemed an insult. She quickly told a high-ranking partner from the Isham side, who in turn chided the offending, and disbelieving, Reuben lawyer.

While the first few months were rocky, they were not tumultuous. Turmoil for the Reuben lawyers began first with rumors in late 1986, followed by confirmation, that C. Richard Johnson, a top partner from the Isham side and one of the few involved in original merger discussions, was leaving for Schiff Hardin & Waite.

Johnson, a municipal law specialist, had gained prominence as he spent 16 years shepherding the plaintiffs' side in what was known as the Shakman case, which resulted in a federal judge outlawing politically motivated firings in Cook County. His departure was a blow and prompted a dinner among original Reuben partners.

"It had a profound psychological effect on some of us," said attorney Gary Elden. "Why did he want to leave? What did he know that we didn't? He was a mild-mannered, respected guy."

"It didn't seem to me that the firm would be run with a good deal of collegiality," said Johnson, carefully choosing words. "I hoped the merger would bring a more democratic Isham Lincoln & Beale. It appeared that wouldn't be the case."

Investigating further, the Reuben lawyers discovered what their new partners long knew about the "old" Isham Lincoln & Beale. It was rife with divisions and tended to be run in a very autocratic way by Ferguson.

Commonwealth Edison accounted for as much as 30 percent of the old firm's billings, though the company was charged at an unusually modest \$97 hourly rate. More telling, it seemed that any attorney who did Edison work had far greater status. Litigators like James Burns, a top former federal prosecutor, felt Ferguson demeaned their efforts.

"I won a \$2.4 million verdict last year for a London bank against the Des Plaines Bank," said Burns. "Ferguson happens to pass by as I'm in a conference room and gives me a thumbs up. That was it—no calls, no words of congratulations—and that was the most favorable feedback I'd ever gotten."

Lawyers from the old Isham firm recount how Ferguson rebuffed efforts to democratize the firm or to move in any direction he disavored, like crafting a higher profile. He infuriated colleagues by virtually eliminating its summer training program for law school students one year, and unsuccessfully trying to impose his preference on allocating "points," or partners' shares of profits, during a stormy managing committee debate in the spring of 1986.

Ferguson, 63, began stepping aside after the merger, but management remained spotty, with Spada the new firm's managing partner.

Spada, who had the deep confidence of Reuben and clients like Tribune Co., was privately criticized by colleagues from both sides. Quite apart from his vaunted capabilities as a tax expert, even partners at Reuben & Proctor had found fault with his management of their tax department.

He seemed to be only a mild improvement over Ferguson. On matters big and small—he got a \$1 million bank loan for new computers or transferring a receptionist to a different floor—he alienated colleagues by not getting their input. Disappointed, he would eventually leave to begin an international business consulting firm.



On July 1, 1987, Bill Shopf, an original Reuben & Proctor lawyer, left with several colleagues. His qualms were known to be similar to those of Johnson. The next two months brought even more tremors.

Ferguson allies called a special meeting of the executive committee. There, they announced that Ferguson wanted to retire and was seeking \$750,000, or \$500,000 after taxes, as a severance, several sources said.

"The message to us was that it was detrimental and divisive to the firm if he stayed," said one committee member. "We could buy peace this way." The committee refused, but Ferguson retired anyway.

Then came the departure to Mayer Brown & Platt of 6 partners and 10 associate partners headed by Ron Jacks. A former general counsel to CNA, Jacks came to Isham Lincoln & Beale in 1979, built an enormous specialty in major cases involving insurance disputes and billed about \$2.5 million a year.

He was unhappy with many matters, and one involved a move prompted by Reuben and Spada to begin negotiations for new quarters. The idea was to move to four floors, or 150,000 square feet, in the gleaming new Northwestern Atrium Center and send a signal to the legal community that a new, revived Isham Lincoln & Beale was here to stay.

Jacks felt the firm should run lean and mean for several more years before such a costly move. In fairness to partners, he revealed his departure before they made a big housing decision. The disclosure derailed the move.

Several events then converged in late fall and early winter to place the merger in peril.

Philosophical differences over compensation caused a furor. Lawyers from the Reuben side who were on the 11-member executive committee moved to cut the pay of several attorneys on the Edison account who earned in excess of \$200,000, sources said.

They believed the Edison lawyers were unproductive, but they also felt a need for belt-tightening. With business drifting away, the firm was paying partners their monthly salary but not their quarterly "distribution," or slice of profits. Moreover, equity partners from the old Isham were chagrined at a decision—based on Reuben & Proctor partners bringing greater investment in their firm into the merger—of having to increase their investments, meaning that some would have to write checks of as much as \$40,000.

Both Reuben and Ogilvie took substantial pay cuts for the greater good. One committee member said Reuben agreed to drop to \$400,000 from \$520,000. But Michael Miller, a savvy Ferguson ally who now shepherded the Edison account, was unhappy with demands that several Edison colleagues be cut. He departed to Sidley & Austin with three partners—and the Edison account followed.

During this period, a plan for a move to the Atrium had been renewed. This time, two of the most important partners from the old Isham firm, David Rosso and William Yolles, studied the finances of such a move. They decided that it was a bad idea and that they could personally do better elsewhere. They took 12 others with them and joined the Chicago branch of a big Cleveland firm, Jones Day Reavis & Pogue, killing the Atrium plan.

It was time for a reassessment. The Jacks and Rosso groups were gone, the Edison account was gone, about \$10 million in annual billings was gone. The firm eventually was forced to take out a \$2.2 million loan and pay a \$300,000 broker's fee to get out of the Three First National lease and consolidate at the old Reuben & Proctor offices at 19 S. LaSalle.

An emergency meeting in Reuben's North Side home underlined



Robert Todd Lincoln, a son of Abraham Lincoln's and founder of Isham Lincoln & Beale.

the fact that nearly all of the defections were from the original Isham side. Partner John Hudson, an original Reuben & Proctor attorney who felt the merger had been an error, urged the original Reuben group to join forces with the stronger Isham attorneys, find a new name and start anew with perhaps 100 or 110 attorneys. It seemed a good idea but was never acted on. "We didn't have enough nerve," said one partner.

In December and January, bad publicity about the firm became devastating. In January, Tribune Co. Chairman Stanton Cook personally informed Reuben, an old friend, that the company would move substantial tax and corporate work to Sidley & Austin and McDermott Will & Emery. Sources at the company and the law firm agreed that too many key lawyers had left and that the company had to look elsewhere for expertise.

Reuben was deeply hurt, said colleagues, since the Tribune account "was the glue of the old Reuben & Proctor," as one Reuben lawyer said. But Reuben himself remained optimistic that the ship could be steadied. Then, a month later, he became very ill with colitis, and moved to a Palm Springs, Calif., apartment to rest. There, he suffered a minor stroke and is now recovering at an Indiana Dunes home.

But Isham Lincoln & Beale was not recovering. There were a raft of dismissals in March, and a sharp reduction in Ogilvie's role and pay, leaving the firm with 80 attorneys out of the original 200. The cuts were too little, too late. On April 6, the firm's management committee got together to seal the fate of the law firm at a meeting run by Howard Krane, a top partner at Kirkland & Ellis who had been retained as outside counsel.

At the fateful meeting, Krane covered details like tax questions, severance for secretaries, how to handle billings, paying of several outstanding loans, sale of equipment like personal computers. Then he looked on as committee members signed formal liquidation documents.

Reuben was deeply frustrated by being out of the fray but, to save his life, had to be away. "The doctor told me, 'Look, if you want to take care of firm matters, go see the undertaker,'"

Ferguson said only, "I feel very badly about all this."

On April 30, exactly two years after Early's lunch with Ferguson, the firm will be no more.





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